

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rule making related to export trade assistance program

The Economic Development Authority hereby amends Chapter 72, “Iowa Export Trade Assistance Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 15.106A.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.108.

Purpose and Summary

These amendments update Chapter 72, Iowa Export Trade Assistance Program (ETAP). The amendments update outdated terms and eliminate references to outdated or unused practices. Some of the updates include changing the terms “department” to “authority,” “foreign” to “international,” and “freight” to “shipping.”

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on January 2, 2019, as **ARC 4203C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Authority on February 22, 2019.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on May 1, 2019.

The following rule-making actions are adopted:

ITEM 1. Amend rule 261—72.1(78GA,ch197) as follows:

261—72.1(78GA,ch197) Purpose. The purpose of the Iowa export trade assistance program is to promote the development of international trade activities and opportunities for exporters in the state of Iowa through encouraging increased participation in ~~overseas~~ international trade shows and trade missions by providing financial assistance to successful applicants.

ITEM 2. Amend rule 261—72.2(78GA,ch197) as follows:

261—72.2(78GA,ch197) Definitions.

“Department Authority” means the Iowa department of economic development authority.

“Division” means ~~the international division of the department.~~

“Exporter” means a person or business that sells one of the following outside of the United States:

- A manufactured product.
- A value-added product.
- An agricultural product.
- A service.

“Sales representative” means a contracted representative of an Iowa firm with the authority to consummate a sales transaction.

“Trade mission” means a mission event led by the ~~Iowa department of economic development authority~~ or designated representative. Qualified trade missions must include each of the following:

- Advanced operational and logistical planning.
- Advanced scheduling of individualized appointments with prequalified prospects interested in participants’ product or service being offered.
- Background information on individual prospects prior to appointments.

Trade missions may also include:

- In-depth briefings on market requirements and business practices for the targeted country.
- Interpreter services.
- Development of a trade mission directory prior to the event containing individual company data regarding the Iowa company and the products being offered.
- Technical seminars delivered by the mission participants.

ITEM 3. Amend rule 261—72.3(78GA,ch197) as follows:

261—72.3(78GA,ch197) Eligible applicants. The export trade assistance program is available to Iowa firms either producing or adding value to products, or both, or providing exportable services in the state of Iowa. To be eligible to receive trade assistance, applicants must meet all five of the following criteria:

1. ¹Be an entity employing fewer than 500 individuals, 75 percent or more of whom are employed within the state of Iowa,
2. Exhibit products or services or samples of Iowa manufactured, processed or value-added products or agricultural commodities in conjunction with ~~a foreign~~ an international trade show or trade mission (catalog exhibits are permitted if they are used in conjunction with the exhibit of a product or service or in association with the firm’s participation in a trade mission),
3. Have at least one full-time employee or sales representative ~~attend~~ participate in the trade show or participate in the trade mission,
4. Provide proof of deposit or executed payment agreement for a trade show, or payment of the trade mission participation fee, and
5. Be considered by ~~IED~~ the authority as compliant with past ETAP contractual agreements.

ITEM 4. Amend rule 261—72.4(78GA,ch197), introductory paragraph, as follows:

261—72.4(78GA,ch197) Eligible reimbursements. The ~~department's~~ authority's reimbursement to approved applicants for assistance shall not exceed 75 percent of eligible expenses. Total reimbursement shall not exceed \$4000 per event. Payments will be made by the ~~department~~ authority on a reimbursement basis upon submission of proper documentation and approval by the ~~department~~ authority of paid receipts received by the ~~division~~ authority. Reimbursement is limited to the following types of expenses:

ITEM 5. Amend paragraphs **72.4(1)**“d” and “g” as follows:

d. ~~Freight Shipping~~ costs associated with shipment of equipment or exhibit materials to the participant's booth and return.

g. Per diem (lodging and meals) for the day immediately before the opening day of the trade show through the day immediately after the closing day of the trade show; per diem is calculated at 50 percent of the rate schedules provided by the U.S. Department of State for travel in ~~foreign~~ international areas; and per diem will be paid for only one sales representative.

ITEM 6. Amend paragraphs **72.4(2)**“b” to “e” as follows:

b. Per diem (lodging and meals) for each day identified in the official mission itinerary. Per diem is calculated at 50 percent of the rate schedules provided by the U.S. Department of State for travel in ~~foreign~~ international areas and will be paid for only one sales representative.

c. ~~Freight Shipping~~ costs associated with shipment of equipment or exhibit materials to the participant's meeting site and return.

d. ~~Presentation equipment at the meeting site.~~

e. d. Interpreter fees, if not included in the participation fee, and as needed during the trade mission.

ITEM 7. Amend rule 261—72.5(78GA,ch197) as follows:

261—72.5(78GA,ch197) Applications for assistance. The application for assistance shall be available on the authority's website. To ~~access~~ qualify for the export trade assistance program, the applicant shall:

72.5(1) Complete the export trade assistance program's application form and ~~return~~ submit it to the ~~division~~ authority prior to trade event participation. Successful applicants will be required to enter into a contract for reimbursement with the ~~department~~ authority prior to trade event participation.

72.5(2) Exhibit products or services or samples of Iowa products in conjunction with a ~~foreign~~ an international trade show or trade mission (~~catalog exhibits are permitted if they are used in conjunction with the exhibit of a product or service or in association with the firm's participation in a trade mission~~).

72.5(3) Have in attendance at the trade show or trade mission at least one full-time employee or sales representative of the applicant.

72.5(4) Pay all expenses related to participation in the trade event and submit eligible, documented expenses for reimbursement from the ~~department~~ eligible, documented expenses authority.

72.5(5) Complete the final report form and ~~return~~ submit it to the ~~division~~ authority before final reimbursement can be made.

ITEM 8. Amend rule 261—72.6(78GA,ch197) as follows:

261—72.6(78GA,ch197) Selection process. Applications will be reviewed in the order received by the ~~division~~ authority. Successful applicants will be funded on a first-come, first-served basis to the extent funds are available. When all funds have been committed, applications shall be held in the order they are received. In the event that committed funds are subsequently available, the applications shall be processed in the order they were received for events that have not yet occurred.

ITEM 9. Amend rule 261—72.7(78GA,ch197) as follows:

261—72.7(78GA,ch197) Limitations. A participant in the export trade assistance program shall not utilize the program's benefits more than three times during the state's fiscal year. Participants shall not utilize export trade assistance program funds ~~for participation in the same trade show during~~

~~two consecutive state fiscal years, or~~ for participation in the same trade show more than two times. Participants shall not utilize export trade assistance program funds for participation in multiple trade shows in the same country during the same state fiscal year.

ITEM 10. Amend rule 261—72.8(78GA,ch197) as follows:

261—72.8(78GA,ch197) Forms. The following forms are available from the ~~department~~ authority and will be used by the ~~department~~ authority in the administration of the export trade assistance program:

1. ETAP application form,
2. ETAP final report (claim) form,
3. ~~Reimbursement~~ Grant agreement.

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 3/27/19.